

FINDING OF SUITABILITY TO TRANSFER (FOST) A PORTION
OF ST. HELENA ANNEX, NORFOLK NAVAL SHIPYARD, NORFOLK,
VIRGINIA

- Ref: a) Environmental Baseline Survey of NNSY St. Helena Annex, Norfolk Virginia. Prepared by ICF Kaiser, April, 1995
- b) Site Characterization Remedial Action Report, St. Helena Annex, Norfolk Naval Shipyard, Norfolk Virginia. Prepared by O'Brien and Gere, Inc., April, 1997
- c) St. Helena Site Remediation Progress Report, File: 5299.011, PCB Cleanup Confirmation, June 29, 1998, St. Helena Annex, Norfolk Naval Shipyard, Norfolk Virginia. Prepared by O'Brien and Gere, Inc.
- d) St. Helena Annex Closure Report, File: 5299.011, (DEQ PC# 98-2296) Dated July 28, 1998, St. Helena Annex, Norfolk Virginia. Prepared by O'Brien and Gere, Inc.
- e) Baseline Risk Assessment, St. Helena Annex, Norfolk Naval Shipyard, Norfolk Virginia. Prepared by Baker Environmental, Inc., July, 1999

PURPOSE

The purpose of this FOST is to document the finding by the U.S. Navy that the subject property is suitable for transfer to the Norfolk Shipbuilding and Drydock Corporation (Norshipco), for its intended use, consistent with the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). This document will also summarize all remedial actions that have been taken by the U.S. Navy to protect human health and the environment with respect to subject property. The statements herein apply only to the portion of the St. Helena Annex proposed for transfer to Norshipco. Because Norshipco has been an operator at the St. Helena Annex facility since 1984, including having been permitted by the Commonwealth of Virginia Department of Environmental Quality (VADEQ) to generate and store solid wastes, as defined by provisions contained in the Resource Conservation and Recovery Act (RCRA), Norshipco is considered by the Navy to be a potentially responsible party for the purposes of this FOST, and therefore Norshipco is not eligible for certain covenants in any deed for the subject property, as defined by provisions contained in CERCLA 120(h)(3).

PAST AND CURRENT USE

The St. Helena Annex (Annex) is an U. S. Navy installation established in 1846 which consists of approximately 30 acres located on the eastern bank of the Southern Branch of the Elizabeth River, in the city of Norfolk, Virginia. The Navy used the Annex as an industrial facility, and for storage and maintenance, including use by the Norfolk Naval Shipyard, which is located opposite the

Annex, on the western bank of the Southern Branch of the Elizabeth River, in the city of Portsmouth, Virginia.

The Navy began leasing approximately 19 acres of the Annex to Norshipco in 1984. Norshipco continues to use the leased parcel as an industrial facility, and for storage and maintenance.

In 1995, Norshipco expressed an interest in acquiring the leased portion of the Annex from the Navy. In 1997, Congress authorized the Navy to exchange a portion of the Annex for land, in-kind services and/or cash pursuant to Section 2832 of the FY97 Defense Authorization Act. Since that time, negotiations between the two parties have been underway. The transfer is the subject of this FOST.

PURPOSED FUTURE USE

Norshipco plans to continue use of the subject property as an industrial facility, consistent with historical operations.

SUMMARY OF ENVIRONMENTAL STUDIES FINDINGS

In 1995, the Navy for the leased portion of the Annex prepared an Environmental Baseline Survey (EBS) ref (a). The results of the EBS, which included collection of limited soil samples, indicated that contamination existed at several locations within the leased portion of the Annex. A Site Characterization Report Remedial Action Plan (Ref b) was prepared in April 1997 that defined the nature and extent of the contaminated areas identified in the EBS. Based on the results of the Site Characterization Report, the required remedial actions were conducted by the Navy (Ref c and d) and approved by VADEQ. These remedial efforts primarily consisted of excavation and safe off-site disposal of 1300 tons of contaminated soil according to approved cleanup plans.

In 1998, the U.S. Environmental Protection Agency (EPA) proposed adding the Norfolk Naval Shipyard to the National Priorities List (NPL), including the St. Helena Annex. To define whether any residual risk to human health and the environment existed from any contamination remaining at the subject property, and whether EPA should include the Annex on the NPL, a Baseline Risk Assessment, reference (e), was prepared with the cooperation with EPA and VADEQ. This effort included collection of additional samples. The results of the additional sampling and reference (e) indicated that one area of groundwater contamination exceeded allowable Maximum Contaminant Level (MCL), and elevated metals and pesticides were detected in the stormwater drop inlets. Subsequent to the Baseline Risk Assessment, the stormwater drop inlets were cleaned. The result of confirmation sampling conducted on 5 June 2000 shows that no elevated levels of metal and pesticides

currently exist in the drop inlets. Also, the Navy committed to further groundwater investigation, and response actions, if required, and the EPA finalized the listing of Norfolk Naval Shipyard on the NPL, without including the St. Helena Annex.

As discussed above, based on negotiations between the Navy and Norshipco, part of the Annex will be the subject of additional ground water investigation by the Navy.

HAZARDOUS SUBSTANCE OR PETROLEUM PRODUCT STORAGE, RELEASE, TREATMENT OR DISPOSAL AND ASSOCIATED REMEDIAL EFFORTS

Information on storage of hazardous substances or petroleum products for more than one year is included in ref (a). In addition, references (a, b, c, & d) includes information on past hazardous substance or petroleum product release, treatment, or disposal and remediation accomplished on the subject property.

REQUIRED FUTURE ACCESS AND USE RESTRICTIONS

As a result of Navy environmental investigations and remediation efforts, the following requirements and restrictions on future use of the subject property are necessary to protect human health and the environment and ensure appropriate implementation of the environmental restoration process. These requirements and restrictions must be included by the transferee, successors and assigns, in transfer documents for the subject property and in future documents effecting transfer to any third person or entity or to another Federal agency.

One area of groundwater contamination, identified in reference (a) and associated with Building 621, requires additional investigation, possible remediation and long-term monitoring under the Navy's CERCLA program after transfer occurs. Thus, transfer documents must ensure that the Navy, its contractors, and appropriate regulatory agencies have a continued right of access to the subject property in general, to conduct required monitoring, perform appropriate reviews, or take additional remedial or removal actions.

In addition, to protect human health and the environment restrictions on future use and development are to be imposed. The purpose of these use restrictions is to protect human health of current and future workers or residents; prohibit activities that could disrupt any remediation activities or jeopardize the protectiveness of remedies that are in place (including monitoring). The site restrictions are as follows:

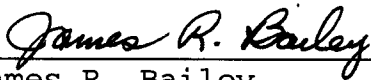
1. For the property, extraction of shallow groundwater for potable use is prohibited. This prohibition, consistent with existing City of Norfolk health standards for the entire aquifer, is intended to control the risk of

direct contact with or consumption of, water and subsurface soils in contact with the groundwater in the shallow aquifer. The groundwater in this aquifer at this site has shown contamination that exceeds the maximum contaminant level (MCL) for drinking water.

2. To insure protection of human health, the property shall not be used for the following purposes:
Recreational or residential uses. For the purposes of the foregoing, "residential use" includes any form of residential housing, playgrounds, nurseries, child day care facilities, facilities for care of the elderly, or any other use that would not be permitted by applicable regulatory authorities without further environmental remediation beyond that required for continued industrial or commercial use. For the purposes of the foregoing, "recreational use" includes playing, fishing, hiking, or other outdoor activities unrelated to work activities. Use of the property may be changed provided additional (site specific) risk assessment is conducted that meet EPA standards. Notification and concurrence from VADEQ with review and comment by the Navy is required prior to implementing any future land-use change.

FINDING

It is determined that the subject property can be transferred to Norshipco for the proposed use and without interference with the environmental restoration process. Specified future access conditions and use restrictions will apply at the subject property.

	<u>2/28/01</u>
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Environmental Quality Division	
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